

To: Members, House Health Policy Committee
From: Adam Carlson, Vice President, Advocacy
Date: March 3, 2021
Re: House Bill 4352
Position: Support

The Michigan Health & Hospital Association supports House Bill (HB) 4352, sponsored by Rep. Sue Allor (R-Wolverine). This bill would prohibit a pharmacy or pharmacist from entering into a contract with a pharmacy benefit manager that interferes with a patient's ability to receive 340B eligible prescriptions. While the MHA supports the concept of the bill, we recommend a minor change in who is responsible in the proposed legislation. It would be difficult for a pharmacy or pharmacist to know if a pharmacy benefit manager is in compliance. Therefore, the responsible party should be the pharmacy benefit manager. It is recommended that pharmacy benefit managers include prohibitions in contracts rather than prohibiting pharmacies from entering into such contracts.

The 340B Program is instrumental in providing support to providers who serve Michigan's vulnerable, low-income and underinsured populations. By providing outpatient pharmaceuticals at significantly reduced prices, covered entities, including hospitals, are able to reach more patients in need and provide more comprehensive care. HB 4352 ensures the protection of a pharmacy's ability to participate in the 340B program, providing an extra layer of protection that a patient can have access to necessary medication without outside factors interfering.

Please contact Adam Carlson (acarlson@mha.org) at (517) 703-8601 at the MHA if you have further questions regarding the MHA's position.

Brian Peters, *Chief Executive Officer*